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Attorneys for Third-Party Defendant  
PERFORMANCE CONTRACTING, INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA for the use and  
benefit of WEBCOR CONSTRUCTION, INC. dba  
WEBCOR BUILDERS, and WEBCOR  
CONSTRUCTION, INC. dba WEBCOR  
BUILDERS,

Plaintiffs,

vs.

DICK/MORGANTI, a joint venture; DICK  
CORPORATION; THE MORGANTI GROUP;  
AMERICAN CASUALTY COMPANY OF  
READING, PENNSYLVANIA; NATIONAL  
UNION FIRE INSURANCE COMPANY OF  
PITTSBURGH, PA; and DOES 1-10, inclusive,

Defendants.

AMERICAN CASUALTY COMPANY OF  
READING, PA; NATIONAL UNION FIRE  
INSURANCE COMPANY OF PITTSBURGH,  
PA,

Third-Party Plaintiffs,

Case No. 3:07-CV-02564-CRB

**PERFORMANCE  
CONTRACTING, INC.'S STATUS  
CONFERENCE STATEMENT**

DATE: August 29, 2008  
TIME: 10:00 a.m.  
JUDGE: Hon. Charles R. Breyer  
(Courtroom 8)

1 vs.

2 BOYETT CONSTRUCTION, INC., a California  
 3 corporation; MARELICH MECHANICAL CO.,  
 4 INC., a California corporation; PERFORMANCE  
 5 CONTRACTING GROUP, INC. dba  
 6 PERFORMANCE CONTRACTING, INC., a  
 7 Delaware corporation; PERMASTEELISA  
 8 GROUP USA HOLDINGS CORP., a Delaware  
 9 corporation fdba PERMASTEELIS CLADDING  
 10 TECHNOLOGIES L.P., a Delaware limited  
 11 partnership, fdba PERMASTEELISA CLADDING  
 12 TECHNOLOGIES, LTD.; ROSENDIN  
 13 ELECTRIC, INC., a California corporation;  
 14 THIRD PARTY DOE DEFENDANTS 1  
 15 THROUGH 20.

16 Third Party Defendants.

17 At a status conference held on December 19, 2007, the Court directed the parties to meet  
 18 to discuss Performance Contracting, Inc.'s ("PCI") claim of approximately \$7,612,331.00 and to  
 19 determine which parts of PCI's claim were pass through and which parts were not. The parties  
 20 met twice in January 2008 and February 2008. During these discussions, Dick/Morganti took the  
 21 position that all of PCI's claim was pass through and refused to compromise its position to any  
 22 degree. While no agreement whatsoever could be reached on what parts of PCI's claim were  
 23 pass-through and which were not, the parties appeared to reach a possible settlement of the entire  
 24 dispute. This was after a representative of Dick/Morganti made a tentative offer. The tentative  
 25 offer was acceptable to PCI and it appeared that a settlement may have been reached. PCI so  
 26 informed the Court of the apparent breakthrough during a status conference on February 22.

27 Unfortunately, soon thereafter when the parties attempted to document their settlement,  
 Dick/Morganti dramatically changed their offer. The changes were not minor ones. In fact,  
 Dick/Morganti's initial settlement agreement represented a change of several million dollars.  
 While Dick/Morganti later modified its position, its current offer to PCI is completely  
 unacceptable and far short of its original offer. PCI then met and conferred with Dick/Morganti

1 without success. These discussions occurred both between counsel and between the clients,  
2 themselves.

3 Given that the parties have reached an impasse on settlement and given that they earlier  
4 reached an impasse on what parts of PCI's claim should be tried by the Court, PCI respectfully  
5 requests that the Court set a hearing date and a briefing schedule to consider what parts of PCI's  
6 claim should be passed through to the GSA and what parts should not be passed through but tried  
7 by this Court.

8 Dated: August 13, 2008

OTIS CANLI & IRIKI, LLP

9  
10 By:   
11 Steven Iriki

12 Attorneys for Plaintiff and Third-Party Defendant  
13 PERFORMANCE CONTRACTING, INC.  
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**PROOF OF SERVICE**CASE NAME: *Webcor Construction, Inc., et al. v. Dick/Morganti, et al.*COURT INFORMATION: United States District Court, Northern District of California, San Francisco  
Division Case No. 3:07-CV-02564-CRB

I, the undersigned, hereby certify that I am a citizen of the United States, over the age of 18 years, and am not a party to the within action. I am employed in the City and County of San Francisco, California, and my business address is 625 Market Street, 4<sup>th</sup> Floor, San Francisco, California 94105-3306. I am readily familiar with my employer's business practice for collection and processing of correspondence for mailing with the United States Postal Service. On the date listed below, following ordinary business practice, I served the following document(s):

▪ **PERFORMANCE CONTRACTING, INC.'S STATUS CONFERENCE STATEMENT**

on the party(ies) in this action, through his/her/their attorneys of record, by placing true and correct copies thereof in sealed envelope(s), addressed as shown on the attached Service List for service as designated below:

Attorneys for Defendants  
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Morganti Group, Inc.

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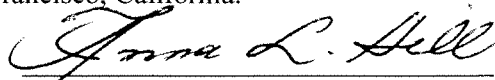
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Holdings Corp., and Permasteelisa Cladding  
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(XX) BY ELECTRONIC FILING/SERVICE: I caused such document(s) to be Electronically Filed and Served through the PACER system for the above-entitled case. Electronic service has been accomplished by the service maintained by PACER.

( X ) (Federal) I certify/declare under penalty of perjury under the laws of the State of California and of the United States that the foregoing is true and correct, and that I am employed in the office of a member of the bar of this Court at whose direction the service was made.  
Executed on August 13, 2008, at San Francisco, California.

  
Anna L. Hill